

MINUTES
CITY COMMISSION MEETING
July 31, 2023

The City Commission met this date for a budget meeting in the Commission Chambers. A quorum being present, the meeting was called to order at 6:05 PM with the following in attendance.

Mayor	:	Hubert B. Smith
Commissioners	:	Christine Wasdin
	:	Edward Crosby
	:	Kay Hamilton (6:19 pm arrival)
	:	Clark (Tom) Browning
City Clerk	:	Tammy Johnson
Police Chief	:	Joe Hart
Fire Chief	:	Tommy Mayville
Library Director	:	Hope Willis
Public Works Director:	:	Nathan Kelley (camera)
Recorder	:	Beth Millsaps

Others in Attendance: (Not Inclusive) Bob Bachelor, Matt Webster, the Irwins', Donna Hastings.

Mayor Smith called the meeting to order at approximately 6:05 PM.

Mr. Bob Bachelor, 154 Grandview Avenue, said he wanted to clear something up from the last meeting. He said the Mayor had mentioned ARPA money for the back up sewer generator. Mr. Bachelor said those funds can be used for water, sewer and broadband infrastructure.

Mrs. Johnson said she has been working with Mr. Ronald Vanzant on ARPA funds, the money for the CDBG will actually cost a lot more than originally thought somewhere between \$250,000 to \$400,000. Mrs. Johnson said according to Mr. Scott the gas company has purchased the land they need and we can start the paperwork for the new water tower. We could use ARPA funds for that project. Mrs. Johnson said we can also use ARPA funds for police vehicles, also the extension to the fire house, also money in fire service fund that could cover extension. She said that money needs to be obligated by December 2024 and spent by December 2026.

Mr. Bachelor said Niceville had received a lot of money to upgrade and rebuild homes using a grant for low income housing, using the CDBG grant. Mrs. Johnson said

1 when she has talked to Jordan and Associates in the past to look into something like
2 this, we must have low income areas and Valparaiso does not have those areas.

3 Mrs. Johnson said now to the budget at hand for the evening. She did not make a
4 lot of changes, added city administrator/city manager, put \$10,000 back to the fire
5 department, took a little out of parks \$140,000 in reserves and used \$60,000 of it to pay
6 for the capital items. Fire services extension in budget can take from reserves. Mrs.
7 Johnson said money from parks reserve and fire services \$60,000 parks and \$75,000
8 fire.

9 Mrs. Johnson said she will increase the revenue of the sales tax we receive, add
10 city administrator/manager \$155,000 for the position.

11 Comm. Wasdin asked what percentage we used for the figures. Mrs. Johnson
12 said June. Comm. Wasdin said then they should use 75% of the budget items in O & M.

13 Comm. Wasdin said we can look at that and cut some from each expense. Mrs.
14 Johnson said that has been done that is what the “carry forward” is from, reviewed what
15 was not spent and have \$400,000 and \$248,500 carry forward, unused percentages of
16 the budget. Comm. Wasdin said does this budget include the two police officers, one
17 fire person, and the city manager position. Mrs. Johnson said yes.

18 Mrs. Johnson said added back the \$10,000 to the volunteer fire department.
19 Comm. Wasdin said to pay a stipend when they work, Mrs. Johnson said yes but we
20 have not had any volunteers in a while. Chief Mayville said we have about six. Chief
21 Mayville said that money is in there so that when they find a local person who wants to
22 be a firefighter that money will help him or her if they are worthy of a scholarship, get
23 training and start their career.

24 Comm. Wasdin asked about the \$15,000 in grant matching funds, for what would
25 that be used? Mrs. Johnson said sometimes for the fire department to receive a grant
26 they must have matching funds. Comm. Wasdin said similar to seed money, Mrs.
27 Johnson said yes.

28 Mrs. Johnson said in parks she changed the amount in for the little league from
29 \$4,000 down to \$1,500. Money that is not spent in parks, that money moves to parks
30 reserve. \$15,000 for Doolittle Park and \$50,000 for resurface basketball courts and

1 convert tennis courts to pickleball courts, \$5,000 of Doolittle Park funds comes from
2 reserves that had been money donated to the city.

3 Mrs. Johnson said in total to keep all items and the capital in the budget we have
4 a difference of \$706,465 to come up with to balance the budget. Mrs. Johnson said we
5 would need to be around 6.8 millage rate. Mayor Smith said we are at 5.024% right
6 now, Mrs. Johnson said correct. Comm. Wasdin asked if there was anything we could
7 transfer. Mrs. Johnson said we can move police cars for \$52,000 to ARPA. The
8 extension to the fire station could be moved to ARPA, which currently is taken out of
9 reserves it would be a wash. Mayor Smith said \$15,000 for Doolittle Park. Mrs.
10 Johnson said \$5,000 would be from reserves. Comm. Wasdin said we could remove the
11 money for the prisoners and Mayor Smith said that the prisoners are not likely to
12 happen. Mrs. Johnson said \$29,000 for prisoners. Mayor Smith said do not need
13 Commissioner office furniture, Mrs. Johnson said that was carried forward, so it does
14 not affect the budget. Comm. Wasdin said \$1,500 for a park bench at the library?
15 Comm. Hamilton said they ask for very little. Comm. Wasdin said I know but surely,
16 they could find that money from within this year's budget. Ms. Willis, Director of
17 Library Services, said that might be doable. Mayor Smith said the LED lights could be
18 \$1,000 instead of \$2,500.

19 Comm. Wasdin asked what the increase in communication services was for had
20 been \$6,000 now up to \$10,500? Chief Hart said he had reduced the line-item last year,
21 had to put in a new system did not take into account for that so raising line item back to
22 what it was previously.

23 Mayor Smith asked why a full time firefighter makes more than a full time police
24 office? Mrs. Johnson said a firefighter will have a lot of overtime. Comm. Wasdin said
25 it would probably take a quarter of a year to hire a firefighter. Comm. Crosby said
26 figure on six months instead of twelve months.

27 Kelly Irwin, 184 Chicago Avenue, said in the last meeting Ms. Sandlin had
28 mentioned writing a letter to the little league to let them know we were not paying
29 anymore. She said we should not pay for property we do not own. Mayor Smith said
30 looking at lease, this guy had leased it from the school board, but they have not seen

1 him, he was to come to a meeting two or three times now. Mayor Smith said we do not
2 have it in the budget now. Mrs. Johnson said yes, we do, was \$4000 has been dropped
3 to \$1,500. Mayor Smith said he had a resident just berate him over the fact that we
4 were reducing funds to the little league park. Mayor Smith called for a recess at 6:50 to
5 reconvene at 7pm.

6 The meeting reconvenes at 7:03 pm.

7 Comm. Wasdin asked if half cent sales tax is in review. Mrs. Johnson said that
8 half cent sales tax could be used to pay off debt, streets is \$80,000 short we could use
9 the half cent sales tax there. Mrs. Johnson said she will get more specific about how it
10 can be spent. Comm. Browning said we have more parks than any place in the county.
11 Mrs. Johnson said we might be able to use tourist development money for the
12 resurfacing of the basketball courts and converting tennis courts to pickleball courts.
13 Mayor Smith said there still is not a restroom facility at that park. Mrs. Johnson said
14 she was told there are restrooms at the dog park. Mayor Smith said that is a little bit of
15 a walk from one park to the other.

16 Comm. Wasdin said she thinks we must suggest cuts, suggest cut budget
17 percentage like we have done before. Mrs. Johnson asked to cut back on O & M or
18 capital or what? Comm. Hamilton asked how much all together is in the budget for
19 raises. Mrs. Johnson said 2% for merit and 3% COLA. Comm. Wasdin asked what was
20 done last year. Mrs. Johnson said after the wage and benefits study we had 2% merit
21 and 9% COLA.

22 Comm. Wasdin said \$700,000 must come out of administration and police
23 department. Mrs. Johnson said it is the General Fund, which is administration, police,
24 fire, parks, cemetery, shop, library and non departmental, and their capital items are all
25 in the General Fund. Mrs. Johnson said we have taken out the commission furniture.
26 Mayor Smith asked about the boating improvement grant. Comm. Wasdin asked what
27 we can cut to make this work, most of us are not accountants. Comm. Wasdin said in
28 administration we can cut the budget for housekeeping, we need to cut some of these
29 things, or we will have to get rid of people. Comm. Wasdin said like the library from
30 legal fees to bottom of page 10, education and training. Mrs. Johnson said we cannot

1 cut the electricity or insurance. Comm. Wasdin said in the police department cut from
2 legal fees all the way to education and training. She said the same for the fire
3 department. Mrs. Johnson said you cannot cut insurances or consultants and contracts.
4 Comm. Wasdin said even if we cut every single thing, would not help. Chief Hart said
5 if you cut his two employees and one from the fire department that would be \$232,000
6 total. Chief Hart said he can delete the two employees for one year, but people in the
7 community have been asking for additional services, with a twelve person department
8 he cannot do anymore. Chief Hart said he had a painful time; he goes out and checks
9 with every one of his vendors to see how much things have gone up or are going for the
10 coming year. Comm. Hamilton said we can pull out the rest from reserves. Mrs.
11 Johnson said she can remove the items discussed tonight, look at buying the new patrol
12 car from ARPA funds and the fire house extension. Comm. Crosby said what about the
13 city manager position? Comm. Browning said do six months instead of whole year.
14 Chief Mayville said he tells the Commission what he wants and needs, and it is up to the
15 Commission to approve or not. He said an employee for the fire department must go
16 through a lot of training and test taking, could change the fire position to 9 months
17 instead of twelve.

18 Mayor Smith said to remove Doolittle Park, Comm. Hamilton said \$5,000 of that
19 was donation. Mayor Smith said then remove \$10,000. Comm. Hamilton said a
20 memorial wall, she thinks that would be a great idea. Mayor Smith said he does not.
21 Mrs. Johnson said we could take the \$50,000 for the resurfacing and converting courts
22 out of reserves. Mrs. Johnson we must send tentative milage rate to the county for the
23 ad valorem, so they can mail out tentative milage. Mrs. Johnson said we have two
24 hearings September 12th and 25th. Mrs. Johnson said once it is advertised you can
25 reduce the rate, but you cannot increase it. Comm. Wasdin said with this budget what is
26 the ceiling mileage rate. Mrs. Johnson said for the 5.2942 requires two thirds vote, once
27 5.3% that requires unanimous vote, everyone would have to be at the hearings. Mayor
28 Smith said we are at 5.024% now Mrs. Johnson so the consensus is 5.2942% which
29 requires two thirds of the vote.

1 Mr. Bachelor said looking at the paper budget going back to 1998 2.75%, 2008 it
2 was 2.8754% from FY2008 to FY2009 was raised to 3.75%. He said that is what we
3 did because we had to keep the city budget balanced without reserve usage. Mr.
4 Bachelor said 5.024% has been the tax rate since FY2016. We have not had an increase
5 in seven years. Mr. Bachelor said we are \$700,000 shy. We need the two police
6 officers and the additional fire personnel. He said we cannot continue to take money
7 from reserves. Mr. Bachelor said we have been taking out of the reserves to balance the
8 budget, have not raised taxes in seven years with all the growth we have had. Mr.
9 Bachelor said people must pay for services. The cost of things has increased, need to
10 increase taxes, we cannot continue to use reserves. Mr. Bachelor said it is time to do
11 something with the milage rate and quit taking from reserves. Comm. Wasdin said she
12 disagrees with him. Comm. Hamilton said we have more than the minimum in reserves.
13 Mayor Smith said costs more this year than last, no one wants to go up on milage for
14 fear they will not be elected next time. Comm. Hamilton said that is not true.

15 Comm. Crosby said over the years values of homes have increased. Comm.
16 Hamilton said we are the fastest growing city in the state. Mr. Bachelor said seven
17 years same rate, Comm. Wasdin said I do not want more taxes. Mr. Bachelor said he
18 does not either but if you look at the numbers they just do not track. He would hate to
19 see us lose the personnel we have. Comm. Wasdin said she appreciated Mr. Bachelor
20 being involved but she is not for raising the tax rate.

21 Mrs. Johnson said she does not have anything in the budget for the community
22 center. Mayor Smith said they still have some contributions to come in for this year.
23 Mrs. Johnson said currently \$17,000 in reserves and Mr. Palmer gave the commission a
24 list of things to do and was wanting a higher donation from the city. Comm. Wasdin
25 said she will need to have more money for the streets but will not have an amount until
26 it is gone out for bid.

27 Mrs. Johnson said we have a carry forward of \$23,380 from stormwater revenue.
28 That fund has a balanced budget.

29 Mrs. Johnson said in streets we could use the half cent sales tax to pay off debt,
30 which for streets is \$80.720 and that would be a balanced budget. Mayor Smith asked

1 why all the lights are off from Tom’s Bayou to the base. Chief Hart said they have all
2 been replaced and should all be working. Mayor Smith said he has not been that way in
3 awhile but wanted to check.

4 Mrs. Johnson said Comm. Crosby had asked to increase the regional plant
5 operation to \$309,665 and even with increase that is a balance budget for utility fund.

6 Mrs. Johnson said out of the Planning Commission’s priority list of projects, they
7 advised getting generators for all pump stations, we could use the ARPA funds for that,
8 but Mr. Kelley said he does not think we need those generators. A brief discussion
9 followed. Mr. Bachelor said in closing if we can get new generators and not to have to
10 rely on back up generators or portable generators, that money must be under contract by
11 the end of 2024 or the money will be gone.

12 Comm. Wasdin said what projects would work for use of tourist development
13 money. Could that be a resource for completing some of the planning commission’s’
14 projects? Mrs. Johnson said with ARPA we do not know exactly how much we have
15 available. Mayor Smith said as a resident he would like to be able to run two showers at
16 a time at his house and would like to increase the water pressure. Mr. Bachelor said Mr.
17 Scott told him that pressure would not be a problem once a new water tank was placed.

18 Mrs. Johnson said both the communication fund and sanitation fund have
19 balanced budgets. Mrs. Johnson said the budget hearings are scheduled for September
20 12th and the final for September 25th. It was agreed that the Commission would meet
21 again on the 21st of August to review the budget once more before the hearings. Mrs.
22 Johnson said that should be time to have a set budget to show residents.

23 **ADJOURN**

24 With no further business before the Commission this evening, the budget
25 workshop adjourned at 8:17PM.

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27 _____
28 Hubert B. Smith
29 Mayor

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31 _____
32 Katherine Hamilton
Chair, VCA

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Tammy Johnson, CMC
City Clerk

***A recording of the July 31, 2023, Commission meeting will be kept on the
City’s secure file server as a permanent part of these minutes.***